



MEDIA ADVISORY

Date: April 19, 2006

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To provide accurate information to media inquiries, the following Media Advisory is being issued:

A jury in Tyler federal court deliberated throughout the night Tuesday and returned a \$133 million verdict this morning against Microsoft Corporation and Autodesk, Inc. Jurors in U.S. District Judge Leonard Davis' courtroom found that Microsoft and Autodesk infringed on two patents owned by z4 Technologies, Inc.

East Texas patent attorney Michael Smith, who has tracked verdicts on all of the patent cases in the Eastern District of Texas, said Wednesday's verdict "is the largest amount of damages awarded by a jury in a patent case" in this district.

After a six-day trial in the U.S. Courthouse in Tyler, the case went to jurors at 5:15 p.m. Tuesday. Jurors chose to continue deliberating into the night and returned their verdict at 12:15 a.m. today, Wednesday, April 19.

Parties in the lawsuit had agreed that the two patents, one identified as the '471 patent and the other the '825 patent, were assigned to z4 Technologies by David S. Colvin, the inventor and owner of z4 Technologies. The patents involved methods of limiting the unauthorized use of computer software. Defendants denied their products infringed the patents and alleged the patents were invalid.

The jury found that Microsoft and Autodesk infringed both patents and that Microsoft's infringement was willful. The jury also found that neither Microsoft nor Autodesk proved by clear and convincing evidence that any of the listed claims of the patents in the lawsuit were invalid. They awarded \$115 million in damages against Microsoft and \$18 million against Autodesk. Because of the finding of willfulness against Microsoft, its damages could be trebled by the court. The parties have the right to file post-verdict motions and to appeal whatever judgment is ultimately entered by the District Court.

The lawsuit, Case Number 6:06cv142, was filed on Sept. 22, 2004.

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